



FinTalk

The Weekly Newsletter
By Bank of Baroda



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Cloud kitchen Startups on Cloud9

The F&B industry is poised for transformation due to technology shifts, changing consumer habits, and rising disposable incomes. Cloud kitchens are one such emerging segment gaining popularity & it is expected to gain more traction as Gen Zs enters the market.

Cloud kitchens are delivery-only restaurants where the preparation + packaging of food takes place while operating at a fraction of the costs incurred by traditional restaurant establishments (rentals, decor, equipment, & wait staff can be saved while operating virtual cloud kitchen brands). Simply put, a cloud kitchen is a 4-walled kitchen structure from where food is dispatched to customers who're ordering from their offices or homes.

Consumers place their orders via food delivery aggregators such as Zomato, Swiggy, or direct-ordering platforms such as DotPe, Thrive, etc. These orders are then accepted on POS Systems such as Posify, Posist, & Limetray.

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In the end, direct orders are fulfilled via third-party logistics (3PL) providers such as WeFast, Dunzo, Pidge & others.

Foodtech & cloud kitchens are highly scalable, profitable, & asset light compared to traditional F&B concepts. Consequently, their investments & ROIs have reached record highs in 2021 and are expected to grow to a \$4 billion industry in India by 2024, up from \$1 billion in 2021. The restaurants without physical stores, which only deliver and operate through cloud kitchens, could outpace growth of physical outlets in the next 12 months, despite the reopening of dine-in.

Rebel Foods, an Indian startup which is also backed by Goldman Sachs Group Inc. and Sequoia Capital, entered the Unicorn club to achieve a billion-dollar valuation after securing \$175 million in a funding round led by the sovereign wealth fund Qatar Investment Authority.

It said it's growing at 100% annually and moving toward profitability with an annual run rate of over \$150 million. It operates more than 45 brands from Behrouz Biryani to Ovenstory Pizza and Faasos wraps across 10 countries including India, Indonesia, the United Arab Emirates and Malaysia.

Founded by Kiran Prasad, Hygiene BigBite pivoted to a multi-brand cloud kitchen model in 2017 which has raised \$15 million from Falcon Edge. It currently operates 10 brands — including Gunpowder and Biryani Trip — across 50 kitchens.

Cloud kitchens will continue to gain the edge by accelerating cost-savings and margins by leveraging trends like kitchen automation, drone delivery, the gig economy, and rising real estate costs in urban areas. The myriad models are peaking investor interest in the F&B space and when it comes to innovation in this space, we have seen only the tip of the iceberg yet!

Fintech unicorn Razorpay's value jumps to \$7.5 bn; up 7.5x in 15 months



Fintech unicorn Razorpay has raised \$375 million in the Series F round of funding at a \$7.5-billion valuation, making it India's second-most valuable start-up in this space, after Paytm. The company valuation has surged over seven times in 15 months, helping it push Walmart-owned digital payments firm PhonePe to the third spot on the country's most-valuable fintech list.

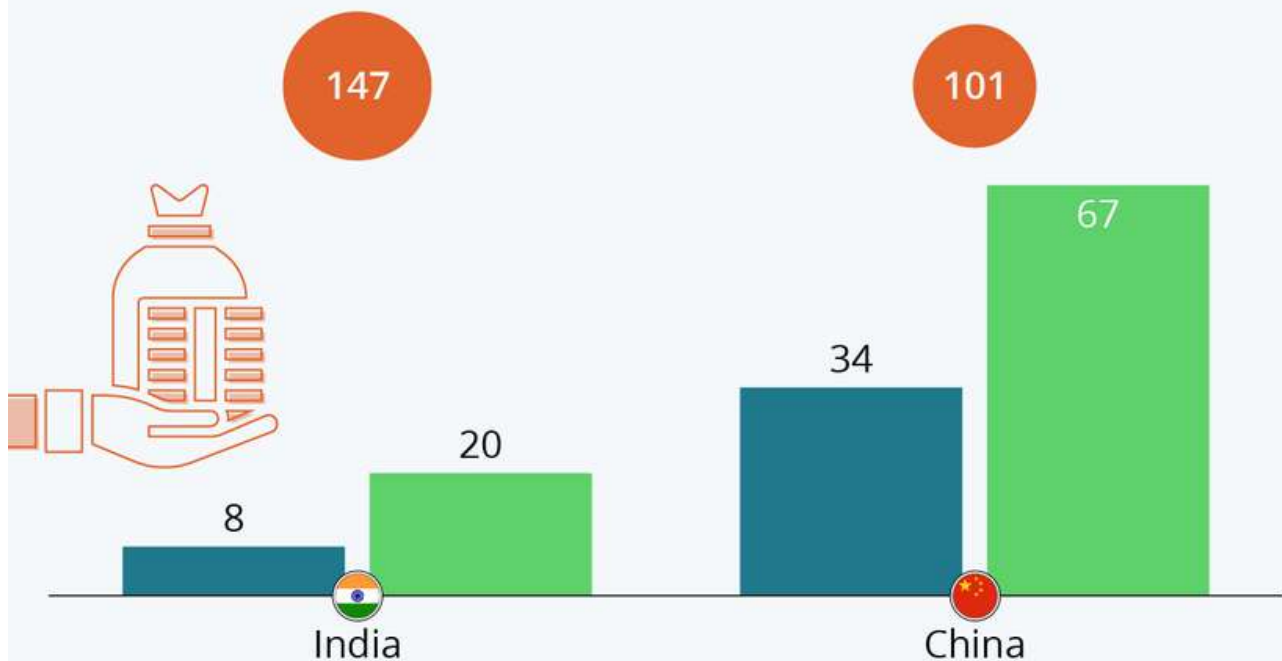
Razorpay's latest round of fundraising was led by Lone Pine Capital, Alkeon Capital, and TCV. The money would be invested in Razorpay's goal to become a full-stack financial solutions company, providing for all payments and banking needs of businesses on one platform. It also plans to use the fresh fund to scale up its business banking suite RazorpayX and offer new banking solutions in 2022.

[Source – businessstandard.com](https://www.businessstandard.com)

India's Venture Capital Growth Outpaces China's

Venture capital investments in China and India (in billion U.S. dollars) and year-over-year increase

■ Q1-Q3 2020 ■ Q1-Q3 2021 ● Increase (in %)



Source: CB Insights



statista

JPMorgan builds blockchain payments system for Siemens

JPMorgan Chase is working with Siemens on a blockchain-based system for the German firm's payments. Siemens is using the blockchain-based system to manage payments between its own accounts.



It is only being used for US dollars at present but euro payments are set to be added next year. Siemens is the first anchor client for the system, developed by JPMorgan's Onyx blockchain unit, but the bank has a pipeline of clients it wants to sign up.

Source – finextra.com



New neobank for couples Fibbl launches in India

The Bangalore-based Fibbl bills itself as a neobank that allows couples to manage money as a team.

The banking solution allows users to open an account instantly, and multiple bank accounts can be folded into its app.

Once opened, each half of the couple gets their own physical card as well as virtual cards on their mobile device. Users don't have to maintain a minimum balance, nor are there any hidden fees. The app allows for shared budgeting and pooling money, and couples can create milestones and targets and track their progress.

The app will notify users when they are about to hit their self-determined limits and pools money based on a ratio of contributions. The tracking aspect leans on spending categories and also provides insights into how to save more money. Fibbl claims that, on average, a couple will save INR 28,000 (£277) annually using the app. The app also boasts green credentials – every card transaction contributes to the planting of a tree, Fibbl says.

[Source – fintechfutures.com](https://fintechfutures.com)

Equifax to Add More 'Buy Now, Pay Later' Plans to Credit Reports



Short-term payment plans for small-ticket items are growing quickly, creating a blind spot for lenders. A popular kind of “buy now, pay later” plan is coming to credit reports.

Early next year, Equifax Inc. will begin recording installment plans that allow shoppers to make four biweekly payments instead of covering the full cost at checkout. The move is meant to give lenders a fuller picture of people's financial commitments, including how much they owe on these plans. These “pay-in-4” plans have exploded in popularity in recent years. They are often used for small-ticket items such as clothing and makeup and are typically billed directly to a shopper's debit or credit card.

[Source – livemint.com](https://livemint.com)



QuantCube launches real-time economic indicators to track environmental change

Alternative data specialist QuantCube has launched four new real-time economic indicators, which use intelligence gathered from European Space Agency (ESA) global satellite data to track environmental change.

Harnessing artificial intelligence (AI) and big data techniques to process the extensive datasets, these indicators meet financial institutions' demand for insights into how economies are evolving in terms of urban growth, agricultural yields, pollution, and water supply. The information can be delivered in granular detail – both at regional and country level. In the long-term, the indicators have the potential to provide insight into measuring environmental sustainability

[Source – finextra.com](https://finextra.com)

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